

## Message Text

PAGE 01 STATE 112142

21

ORIGIN NEA-02

INFO OCT-01 ISO-00 INR-01 /004 R

66616

DRAFTED BY NEA/ARP:RAHERNE

APPROVED BY NEA/ARP:FMDICKMAN

NEA/IRN - MR. BEALES

INR/RNA - MR. HOWELLS

----- 113205

R 201905Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY ABU DHABI

AMEMBASSY KUWAIT

AMEMBASSY DOHA

S E C R E T STATE 112142

FOLLOW ING REPEAT STATE 112142 ACTION TEHRAN INFO MUSCAT  
TEL AVIV CAIRO ANKARA ISLAMABAD NEW DELHI KABUL LONDON  
PARIS MOSCOW BONN CANBERRA TOKYO JIDDA MANAMA OTTAWA CINCPAC  
DATED 14 MAY 75  
QUOTE  
S E C R E T STATE 112142

E.O. 11652: XGDS-1, 2, 3

TAGS:IR,PINR

SUBJECT: NATIONAL ESTIMATE ON IRAN /

1. FOLLOWING FOR ADDRESSEE INFORMAION IS TEXT OF PRECIS TO  
NIE 34-1-7, IRAN APPROVED BY USIB MAS 9. COPIES OF FULL  
TEXTBEING SENT BY POUCH:
2. A. WE SEE LITTLE PROSPECT DURING THE NEXT FEW YEARS  
FOR A SERIOUS CHALLENGE TO THE SHAH'S AUTHORITARIAN CONTROL  
OVER IRAN'S INTERNAL AFFAIRS AND PROGRAMS. NEVERTHELESS,  
THE SHAH'S MONOPOLY OF DECISION-MAKING AND HIS TREND TOWARD

GREATER REPRESSION OF OPPOSITION WILL INCUR CERTAIN  
POLITICAL COSTS:

SECRET

PAGE 02 STATE 112142

--GROWING ALIENATION AND DISSENT; INCLUDING TERRORISM, ON  
OCCASION WITH ANTI-US OVERTONES;

--LIMITS ON BUREAUCRATIC AND GOVERNMENTAL EFFECTIVENESS IN

IMPLEMENTING THE SHAH'S AMBITIOUS OBJECTIVES; AND

--THE STIFLING OF POLITICAL INSTITUTIONS WHICH COULD MAINTAIN STABILITY AFTER THE SHAH'S DEMISE.

3. B. THE SHAH IS UNLIKELY TO CHANGE HIS COURSE MATERIALLY, HENCE STRAINS WITHIN IRANIAN SOCIETY SEEM DESTINED TO GROW AS OTHER SECTORS OF LIFE MODERNIZE AND THE PRESSURE FOR POLITICAL PARTICIPATION BECOMES MORE INSISTENT. IN THE EVENT OF THE SHAH'S EARLY DEATH, COMPETITION FOR POWER COULD LEAD TO SERIOUS INSTABILITY.

4. C. IN THE SHORT RUN, IRAN WILL BE ABLE TO OBTAIN THE FINANCES NECESSARY TO ACCOMPLISH THE SHAH'S DRAMATIC ECONOMIC DEVELOPMENT OBJECTIVES BUT WILL BE CONSTRAINED BY:

--AN INADEQUATE AGRICULTURAL BASE;

--SERIOUS SHORTAGES OF SKILLED AND SEMI-SKILLED LABOR;

--PORT AND TRANSPORTATION BOTTLENECKS.

5. AS A RESULT, WE ANTICIPATE A SLOWDOWN IN THE RAPID PACE OF IRAN'S ECONOMIC EXPANSION OVER THE NEXT FEW YEARS. IN THE LONGER RUN, IF OIL REVENUES DO NOT RISE SIGNIFICANTLY, THERE WILL BE CURRENT ACCOUNT DEFICITS DUE TO INCREASED EXPENDITURES IN MILITARY, INDUSTRIAL AND AGRICULTURAL PRODUCTS. EVEN SO, IRAN WILL PROVIDE OPPORTUNITIES FOR SIGNIFICANT ECONOMIC GAINS FOR THE US IN INVESTMENT AND TRADE.

6. D. BY THE END OF THIS DECADE, IRAN WILL HAVE ACQUIRED A FORMIDABLE MILITARY ARSENAL CAPABLE OF PROJECTING SIGNIFICANT GROUND AND AIR FORCES INTO THE ARABIAN PENINSULA AND SOUTH ASIA, AND A BLUE WATER NAVY CAPABLE OF ROUTINE OPERATIONS IN THE INDIAN OCEAN. IRANIAN COMBAT EFFECTIVENESS, HOWEVER, WILL REMAIN LIMITED BY LACK OF TRAINING AND THE  
SECRET

PAGE 03 STATE 112142

ABILITY TO MAINTAIN SOPHISTICATED EQUIPMENT. FOREIGN SUPPORT, PARTICULARLY FROM AMERICAN TECHNICIANS, WILL REMAIN ESSENTIAL TO IRAN'S MILITARY ESTABLISHMENT FOR MANY YEARS. THE SHAH IS NOT LIKELY TO SEEK NUCLEAR WEAPONS IN THE NEAR FUTURE, BUT HE WILL PROBABLY ATTEMPT TO ACQUIRE THE NECESSARY TECHNOLOGY.

7. E. THE SHAH IS LIKELY TO GROW INCREASINGLY ASSERTIVE IN HIS FOREIGN POLICIES. HE WOULD RISK CONFRONTATION WITH THE ARABS, THE WEST OR EVEN THE SOVIET UNION IN ORDER TO ASSERT PERSIAN PRIMACY IN THE GULF OR TO MAINTAIN WHAT HE CONSIDERS A SUFFICIENTLY HIGH LEVEL OF OIL REVENUES. ALTHOUGH HE WILL REMAIN SUSPICIOUS OF SOVIET INTENTIONS,

AND WILL CONTINUE TO RELY ON THE US AS THE ULTIMATE DETER-  
RENT TO THE USSR, THE SHAH BELIEVES HE HAS TAKEN OUT IN-  
SURANCE IN THE FORM OF ECONOMIC AND POLITICAL TIES AND  
THAT HE CAN DEAL EFFECTIVELY WITH THE SOVIET UNION ON  
HIS OWN UNDER FORESEEABLE CIRCUMSTANCES.

8. F. IRAN WILL BE PREPARED TO DEPLOY FORCES UNILATERALLY  
IN ORDER TO FORESTALL A RADICAL UPSET IN THE GULF. THERE  
ARE PROSPECTS FOR GREATER COOPERATION WITH SAUDI ARABIA'S  
PRINCE FAHD AND, FOLLOWING IRAQ'S RECENT REGIONAL O  
OVERTURES, FOR A REDUCTION IN IRAQ-IRANIAN HOSTILITY.  
IRAN'S RELATIONS WITH SOUTH ASIA WILL REMAIN LIMITED OVER  
THE SHORT TERM; THE SHAH IS LIKELY TO LIMIT HIS FINANCIAL  
BACKING FOR PAKISTANI ARMS PURCHASES. IN THE MIDDLE EAST,  
THE SHAH WILL PROBABLY CONTINUE TO EXPAND HIS RELATIONS  
WITH EGYPT, AND IT IS BECOMING LESS LIKELY THAT IRAN WOULD  
SUPPLY ISRAEL WITH OIL IN THE EVENT OF RESUMED HOSTILITIES.

9. G. US-IRANIAN RELATIONS ARE LIKELY TO BECOME MORE  
DIFFICULT IN THE COMING YEARS. THE SHAH IS SEEKING TO RE-  
MOVE BOTH THE US AND SOVIET MILITARY PRESENCE FROM THE  
PERSIAN GULF AND THE INDIAN OCEAN AND TO ESTABLISH HIS OWN  
REGIONAL COLLECTIVE SECURITY ARRANGEMENTS IN THE GULF; WHILE  
HE WILL TACITLY APPROVE OF US NAVAL OPERATIONS IN THESE  
WATERS AS LONG AS THE USSR KEEPS NAVAL VESSELS ON STATION  
THERE, WE CANNOT DEPEND ON HIM TO PROVIDE ACCESS TO IRANIAN  
FACILITIES TO SUPPORT FLEET UNITS, AND HE WILL PROBABLY USE  
HIS INFLUENCE TO END OUR USE OF BAHREIN.

SECRET

PAGE 04 STATE 112142

10. H. SPECIFIC PROBLEM AREAS INCLUDE:

--THE SHAH'S EFFORTS TO MAXIMIZE OIL PRICES AND THE BUYING  
POWER OF OIL;

--ARMS PROCUREMENT AND THE PRESSURES THAT THE SHAH MAY LEVY  
TO ENSURE HIS PERCEIVED MILITARY AND SECURITY REQUIRE-  
MENTS ARE MET;

--THE GROWING NUMBER OF AMERICANS IN IRAN, EXPECTED TO  
REACH ABOUT 50,000 BY 1978;

--ARAB-IRANIAN RIVALRIES FORCING THE US TO CHOOSE SIDES;

--THE QUESTION OF SAFEGUARDS FOR NUCLEAR EQUIPMENT AND  
FUELS.

11. I. THE SHAH'S STRATEGY IN DEALING WITH THE US IS  
LIKELY TO CONTINUE TO BE BASED ON EFFORTS TO EXPAND  
ECONOMIC TIES WITH THE US TO OFFSET STRAINS DEVELOPING  
FROM HIS GROWING POLITICAL INDEPENDENCE. HE PROVIDES  
IMPORTANT INTELLIGENCE FACILITIES FOR USE AGAINST THE USSR

AND WOULD PROBABLY COOPERATE IN FACILITATING US POLITICAL INITIATIVES IN MIDDLE EASTERN DIPLOMACY. WHILE OVER THE SHORT TERM, US AND IRANIAN INTERESTS ARE LIKELY TO BE LARGELY COMPATIBLE, WE CAN NO LONGER RELY ON THE SHAH TO

ACCOMMODATE US INTERESTS IN THE INCREASING NUMBER OF AREAS WHERE HIS INTERESTS DIVERGE FROM OURS.

12. J. WHILE US-IRANIAN RELATIONS WOULD COME INTO QUESTION IF THE SHAH SHOULD LEAVE THE SCENE, MUCH OF THE RELATIONSHIP HAS BECOME INSTITUTIONALIZED TO THE POINT WHERE IT TRANSCENDS THE SHAH. POWER WOULD REST AT LEAST INITIALLY ON A MILITARY-BUREAUCRATIC COALITION, BUT THEY WOULD COME UNDER INCREASING PRESSURE AND WE CANNOT NOW FORESEE THE NATURE OF THE REGIME WHICH WILL ULTIMATELY SUCCEED THE SHAH. BUT EVEN A MORE EXTREME REGIME PROBABLY WOULD NOT IMMEDIATELY SEEK TO RESTRUCTURE THE PRESENT RELATIONSHIP IN DRASTIC WAYS GIVEN THE IRANIAN  
SECRET

PAGE 05 STATE 112142

VIEW OF THEIR INTERESTS AND THE IMPORTANCE OF THE US CONNECTION. KISSINGER  
UNQUOTE  
INGERSOLL

SECRET

<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 AUG 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ARMED FORCES, CENTRAL GOVERNMENT, POLITICAL STABILITY, SHAH  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE112142  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** NEA/ARP:RAHERNE  
**Enclosure:** n/a  
**Executive Order:** 11652 XGDS-1, 2, 3  
**Errors:** n/a  
**Film Number:** D750170-0902  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t197505102/baaaajoi.tel  
**Line Count:** 191  
**Locator:** TEXT ON-LINE, TEXT ON MICROFILM  
**Office:** ORIGIN INR  
**Original Classification:** SECRET  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:**  
**Previous Classification:** SECRET  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ElyME  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 APR 2003 by GarlanWA>; APPROVED <26 SEP 2003 by ElyME>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> jms 971008  
**Subject:** n/a  
**TAGS:** PFOR, PINR, IR, US, (PAHLAVI, MOHAMMAD REZA)  
**To:** ABU DHABI  
KUWAIT  
DOHA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006